(d) whether these guidelines are being followed strictly; and

(e) if not, the exceptions made in this regard and the reasons for such departure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (e) The Hon'ble Members have not indicated the details of the press report they have in view. The information is being collected and will be laid on the Table of the House to the extent available and permissible under the Rules.

**Foreign exchange reserves**

1067. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the detailed components of the Foreign Exchange reserves of 20 billion dollars as on 28th February, 1995;

(b) how much portion of these reserves was on account of purchases made by the Reserve Bank of India in the past with details of the purchases, month-wise; and

(c) the impact on prices on account of lack of deployment of these reserves for productive purposes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Foreign exchange reserves (including gold & SDRs) stood at US $ 23,951 million as on 28th February, 1995. The components of the reserves are as given below:

| | (US $Million) |
|---|---|
| (i) Foreign Currency Assets of the RBI | 19,947 |
| (ii) Gold | 4,000 |
| (iii) SDRs | 4 |
| Total | 23,951 |

(b) Purchases of foreign currencies from the Authorised Dealers by the Reserve Bank of India during the first eleven months of 1994-95 amounted to US $ 10,303 million. Purchases for the last five months are as follows:

| Month | US $Million |
|---|---|
| October, 1994 | 1511 |
| November, 1994 | 1249 |
| December, 1994 | 369 |
| January, 1995 | 748 |
| February, 1995 | 297 |

(c) A large increase in foreign exchange reserves tends to increase reserve money and money supply and thus add to the potential for inflation. While the growth in money has been neutralised, to some extent, by a decline in the Reserve Bank Credit to Government such that the growth in the reserve money has been lower at 14.5 per cent during this year upto February 3, 1995 against a growth of 18.3 per cent in the corresponding period of last year.

**Evasion of excise and customs duty**

1068. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the names of Companies belonging to large industrial houses as well as joint ventures with foreign companies which have been found indulging in evasion of excise duty and customs duty with figures of duty evasion involved during the last four years;

(b) the names of such companies against whom cases are under investigation for tax evasion and which are still pending since before 1991;

(c) what effective steps Government propose to take to check this tendency in order to safeguard the interests of Revenue; and

(d) whether any of thhese companies have been black-listed for repeated violation of tax laws; if so, the names of such companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M V. CHANDRASHEKARA MURTHY) (a) to (d) The information is being collected and will be laid on the Table of the House.

**Presumptive tax**

1069. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enlarge the area of presumptive tax so as to include small/petty professionals like doctors, lawyers, architects, housewives who are depending mainly on interest incomes; and

(b) if so, what are the details of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) In view of (a), question does not arise.

## Exemption on Gift Tax

1070. SHRI SATISH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to exempt gift tax on gifts made in favour of one's wife, daughters and sons; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Question does not arise.

**Exemption of Income Tax to certain trusts and foundations**

1071. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that huge sum of money are deprived from being collected as Income Tax due to exemptions granted to certain Trusts and Foundations;

(b) whether Government will formulate a comprehensive policy to carefully screen and monitor private, Trusts receiving large volume of funds;

(c) whether there is any audit by Government additors of such Trusts; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Under Section 11 of Income Tax Act, 1961, income derived from property held under Trust wholly for charitable or religious purposes, subject to fulfilment of certain specified conditions, is exempt from tax. Trusts or institutions established for charitable or religious purposes and notified by the Central Government u/s 10 (23C) (iv)/(v) of Income-tax Act, 1961 are also exempt from payment of tax. These exemptions are given mainly with a view to promote charitable activities.

(b) The income of private Trusts is chargeable to tax. They are required to file returns of income under the provisions of the Income Tax Act.

(c) and (d) Even though there is no audit by any Government appointed auditor, still audit by a Chartered Accountant is a statutory requirement under Section 12A(b) of the Income Tax Act in case of a charitable/religious trust or institution if their income exceeds Rs. 50,000/-. In case of a private trust, audit under Section 44 AB of Income-Tax Act is a statutory requirement subject to conditions mentioned therein.